

## **MINUTES**

### **INSOLVENCY LAW COMMITTEE OF THE BUSINESS LAW SECTION OF THE STATE BAR OF CALIFORNIA**

**April 4, 2002**

The monthly meeting of the Insolvency Law Committee of the Business Law Section of the State Bar of California was held on April 4, 2002, at 10:00 a.m., at the Hilton Oakland Airport, located at 1 Hegenberger, Oakland, CA.

The following members of the Committee were present at the meeting:

Bruce Emard  
Rob Harris  
Stephen Johnson  
Eric Nyberg  
Tom Phinney  
Tracy Schweitzer  
Geraldine Valdez

The following members appeared by telephone.

David Bertenthal  
Peter Bronson  
Louis Cisz  
Marc Cohen  
Julia Gibbs  
Sandra Lavigna  
Greg Lunt  
Larry Peitzman

Rob Harris called the meeting to order at approximately 10:00 a.m.

Ben Young was in New York.

## **Approval of Minutes: February 21, 2002**

Minutes, correction on page 5, Geraldine was present, had nothing to report.

## **Program for Third Annual Spring Meeting (Business Law and IP sections) - La Costa, May 2002 (same weekend as CBF annual conference)**

Kathy Phelps not present.

## **Report on Executive Committee Retreat (Rob Harris)**

March 16, 2002 Business Law Section Retreat, Bodega Bay, California.

Expenditures of Bar: Spring Meeting - creation of prior chairs and vice chair - financial flop - lost \$40,000 - last year;

Focus will be to up membership, major consideration regarding budget.

Website report

Idea is to improve level of service to constituency, members of section, and bring membership to committees

- committee roster
- minutes
- meeting schedule

Items not on our website that we should consider:

(1) clear statement at top - meetings are open to anyone to attend: No one had opposition.

(2) List members who are responsible or involved or following something: No one objected.

(3) Link to status on new legislation link to ABI: No one objected. Committee should consider which legislative links we may want - send ideas to Steve Johnson or Rob Harris or both.

(4) Reciprocal advertising - local bar meetings - Rob wants some sort of rotating box, *i.e.*, monthly programs.

(5) Background bios of committee members. Committee disfavored.

Constituency Outreach Project:

Bar created list from people who have signed up for state bar meetings/programs and sections/committees list. We could send information to if there was something of great interest.

Idea is to increase overall reach of the bar and bring people in.

On-going thing to increase membership.

Want committees to provide information for content.

Approval to cross-advertise local bar meetings and post on website.

**Coordination with the Corporations Committee on Corporate Conversion Bill  
(Peter Bronson)**

Nothing to report since last meeting. Larry and Judy were supposed to draft language regarding concerns of creditors who may have relied on a general partner in extending credit.

Per Rob, at Executive Committee Retreat, it was viewed that our committee was holding legislation up.

June 1, 2002 is last day for this legislation to get to executive committee.

Issue: If business entity is general partnership and converts to LLC/corp. or something else and creditor has relied on assets of general partners.

Solution: If creditor does not receive notice of conversion, extension of credit within 90 days or 90 days plus. Presumption - first 90 days general partner liable after 90 days, creditor has to prove reliance.

Email language to Committee, Committee vote back by email before May meeting.

**Recruiting of New Members**

Harder to recruit - more billable expectation

Focus on business development versus volunteerism

Look to own knowledge bank for potential Committee members

Look to other similar professional organizations

Recruiting at annual and spring meetings

Recruit at California Bankruptcy Forum

CEB attendees

How to entice - solicitation

- Business development opportunities

- Meaningful projects/educational programs

- Access to state of the art materials

- Steve will do a draft of significant things we have done in the last few years for posting on website with application.

- Members of Committee/Committee as whole has more credibility/access to legislators

- Network with experts

- Opportunity to give back to legal community

Target - solicitation

- People in outlying geographical Committee

- Smaller firms

- More diversity

- Wide variety of practice

- Trustees - Chapter 13, Chapter 7

- In-house bank

- Retired judges now in private practice

### **Planning for May 17 meeting at California Bankruptcy Forum**

We have room - meeting Friday, May 17, 2002, at 9:00 a.m., La Jolla Hilton, Torrey Pines.

Progress reports on current projects:

- (a) Legislation to Automatically Re-index California Exemptions in Amounts and at Times Periodically Established Under the Bankruptcy Code (Rob Harris)

We are on Executive Committee April 19, 2002 calendar. It should be moving forward.

Federal legislation - we have no one actively pushing, if you have legislation, might want to find someone to push, *i.e.*, senator, congressman.

- (b) CLRC Items of Interest

Geraldine - Nothing. Proposed Change to Bankruptcy Rule 1005 - only provide last four digits of social security number.

Comment period ends April 22, 2002. Not necessary for Committee to comment.

Geraldine to check on status of San Diego procedures.

- (c) Coordinate with LABF on proposing new procedures for California Bankruptcy Courts to become more user friendly (Ben Murphy, Marc Cohen)

Marc is not sure - thinks Bankruptcy Court is awaiting District Court approval.

## **New Projects**

- a) ILC Comment re Attorney Liability Provisions of the Bankruptcy Bill (Judy Gibbs)

Judy sent copy of memorandum to Meredith. Committee is adopting ABA position. Committee supposed to review and advise Judy if problem. Otherwise she will forward to Meredith.

- b) Petition Preparer issues (Volunteer?)

Steve - as practitioners, if see problem, report to list. Remove from agenda.

- c) Comments on Proposed Amendments to Rules of Bankruptcy Procedure and to the Official Forms (comments due April 22).

## **Education, Programs and Publications**

- a) Article for Business Law News? (We have been asked to have the final draft of an article by June 30, 2002)

Tom Phinney - get copyright clearance from California Bankruptcy Journal to use article written for Bankruptcy Journal.

## **Legislative Liaison Report (Lynn Ernce)**

Lynn not present.

## **Extra**

- October Program -

Peter & Geraldine - "Bankruptcy: What every California lawyer needs to know."

Speakers: trying to get Judge Holman. Suggestion was made to also ask Judge Jellen.

Tom and Judy - Panel "Impact on state court litigant when opponent files bankruptcy"

- Model Real Estate Order -

Does it still have Marc's firm across the middle. Marc will resend to Rob.